

# UNNUMBERED LETTERS ISSUED FOR THE MONTH OF OCTOBER 2002

Dated	Subject	Distribution
10-01-02	Fiscal Year 2003 State Internal Review Handbook Updates	S/D
	USDA Mentoring Program	S/D
10-09-02	Thrift Savings Plan Open Season	N.O.Employees
10-11-02	Program Loan Cost Expense Funds FY 2003 Allocations and Requirements Under the Credit Reform Act of 1990	S/D
10-17-02	Ordering Infile Credit Reports Through Trans Union	* Sel. S/D
	* AK, AL, AR, CO, DE-MD, HI, KY, LA, MS, PA, PR, SC, and TX	
10-24-02	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, D/D, C/S
10-28-02	90-Day Implementation of the Area Loan Limits	S/D
10-29-02	Bank of America Travel Charge Card Program	S/D
10-31-02	Scheduling of Use-or-Lose Annual Leave	S/D

October 1, 2002

SUBJECT: Fiscal Year 2003 State Internal Review  
Handbook Updates

TO: Rural Development State Directors

ATTN: Administrative Programs Directors and  
Management Control Officers

The Financial Management Division (FMD) has been working closely with the Systems Integrity Management Branch (SIMB) of the Information Technology Division to update the Fiscal Year (FY) 2003 State Internal Review (SIR) Handbook review guides and corresponding spreadsheets for calculating compliance scores.

The Handbook updates have been made and the SIMB has tested the software. In addition to the testing, the SIMB will load the updated SIR Handbook on the Internet, as soon as possible but not later than **October 11, 2002**; provide written installation and removal instructions; and notify the Information Resource Managers (IRMs) of this update and that it can be downloaded from the Internet.

The Management Control Officers should coordinate this effort with the IRMs to ensure they obtain the latest updates to the SIR Handbook.

If you have any questions, or need additional information, please contact Diane Wareham of my staff at (202) 692-0044.

*(Signed by Sharon Randolph)  
for*

SHERIE HINTON HENRY  
Deputy Administrator  
for Operations and Management

Sent by electronic mail on 10/1/02 at 4:30 p.m. by FMD.

EXPIRATION DATE:  
September 30, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

October 1, 2002

SUBJECT: USDA Mentoring Program

TO: Rural Development State Directors  
National Office Officials

ATTN: Administrative Programs Directors  
Human Resources Directors

This memorandum is to thank everyone for the response shown by employees in applying and supporting the pilot USDA Mentoring Program. As expected, the Department received many more applications from employees wanting to be mentored than could be accommodated in this first pilot program. Although we would have liked to oblige all those who applied, Rural Development was initially only allotted four slots. We later received an additional slot.

Those Rural Development employees selected as mentors and mentees for the coming year are:

Mentee	Mentor	Location
Marcella Stark	Jason Alexande	CSC, St. Louis, MO
Celso B. Alonso, RUS	Sue Harris-Green, RHS	Washington, DC
La'Shonda L. DeBrew	Burma J. Shipman	CFO, Washington, DC
Shannon L. Chase	Sherie Hinton Henry, O&M	Atlantic, IA/Washington, DC
Lisa Eppele	Amy Cavanaugh, RBS	Berrien Springs, MI/Wash.DC

EXPIRATION DATE:  
September 30, 2003

FILING INSTRUCTIONS  
Administrative/Other Programs

Mentoring is a significant cornerstone of the Human Capital initiative in the President's Management Agenda. It will help us address the challenges incurred by the loss of expertise upon retirement of senior staff by sharing such knowledge with junior to mid-level employees. We encourage all managers and supervisors to establish an informal mentoring dialogue between employees and co-workers enabling them to further their leadership and career goals.

*(Signed by Diana Shermeyer)*

DIANA SHERMEYER  
Director, Mission Area Personnel  
Services Division

October 9, 2002

SUBJECT: Thrift Savings Plan Open Season

TO: All Rural Development National Office Employees  
Rural Utilities Service Field Employees

The Thrift Savings Plan (TSP) Open Season is October 15 through December 31, 2002. It is during this period that employees may elect to begin contributing to the TSP, change the amount or percentage of contributions, or cancel their TSP contributions (without losing the right to resume contributions the next open season). Employees hired from January 1 to June 30, 2002, are now eligible to receive Agency matching contributions this Open Season. Following are important reminders regarding the TSP Open Season:

- Payroll contribution rate is 13% of basic pay earned per pay period for FERS, Federal Employees Retirement System, employees and 8% for CSRS, Civil Service Retirement System, and CSRS-Offset employees.
- Elective deferral limit for 2003 is \$12,000
- To increase or decrease the percentage of your contributions, you may use the Employee Express website at <http://www.employeeexpress.gov> or you may submit a TSP-1, Election Form, to the Human Resources office in room 1331-S or mail the form to Rural Development Human Resources, Stop 0730.
- To change allocations, you must complete TSP-50, Investment Allocation Form, and mail it directly to the address provided on the form, or use the TSP website (<http://www.tsp.gov>) or call the TSP Thriftline (504-255-8777) to make the desired changes. You must use an original TSP-50 and not a copy because this form is designed to be read by an optical scanner. If you are newly enrolled in the TSP and you are making your first contribution allocation, do not submit this form until you have received your New Account letter, which confirms that your account has been established.
- Interfund transfer requests may be made on the TSP-50, or on the TSP website (<http://www.tsp.gov>).

If you have questions regarding TSP or TSP Open Season, please call Diane Nero at (202) 692-0172.

***(Signed by Timothy J. Ryan)***

TIMOTHY J. RYAN  
Assistant Administrator  
for Human Resources

EXPIRATION DATE:  
January 31, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

October 11, 2002

TO: Rural Development  
State Directors

ATTENTION: Rural Housing Program Directors,  
Program Loan Cost Coordinators and  
Contract Program Managers

FROM: Arthur A. Garcia      *(Obediah G. Baker)*      *for*  
Administrator  
Rural Housing Service

SUBJECT: Program Loan Cost Expense Funds  
FY 2003 Allocations and Requirements  
Under the Credit Reform Act of 1990

The Office of Management and Budget (OMB) has approved this year's apportionment of **recoverable** Direct Loan Financing and Liquidating Program Loan Cost Expense (PLCE) funds for the Rural Housing Service (RHS). Your State's **annual** FY 2003 PLCE fund allocations for the Direct Loan Financing and Liquidating Accounts are provided in Attachment 1. The Direct Loan Financing allocations include your **annual** funding for recoverable mortgage credit bureau reports. Your State's recoverable fund allocations are based on the number of existing 502 Direct loans and 515 projects in your State.

All PLCE funds required in the Community Facilities Program are held in the National Office. Funding for Community Facilities PLCEs should be requested by completing and faxing Attachment 2 to Meggan McClincey at (202) 690-0471.

**Attachment 1 also lists your State's Salaries and Expense Account ("A" funds) initial allocation for FY 2003, under the current Continuing Resolution through October 11, 2002. We will advise you when additional funds in this Account have been authorized for your use. This year's non-recoverable PLCE funds are only authorized for infile credit bureau reports, Multi-Family Housing (MFH) appraisals, MFH cost certifications, MFH market studies, Single-Family Housing (SFH) and MFH wage match, SFH bankruptcy fees, SFH mortgage releases, and SFH inventory property**

EXPIRATION DATE: September 30, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

**inspections. No other uses of non-recoverable PLCE funds are allowed without prior National Office permission. Your State's initial "A" funds provided in Attachment 1 should be used for emergency SFH needs only during the Continuing Resolution.**

**When additional "A" funds are authorized, we will be able to make a supplemental allocation for your State. To request funds for MFH appraisals or cost certifications that must be obligated immediately, contact Brett Morgan at (202) 720-1620. For all other emergency needs requiring "A" funds, contact Carl Muhlbauer at (202) 690-2141.**

**We will again need your cooperation in stretching our limited non-recoverable funding this year. Please check the accuracy of the Program Authority Codes (PACs) and Action Codes assigned to your State's PLCEs. Make sure you use the PAC charts in the current RD Instruction 2024-A, Exhibit D, effective April 17, 2002, to verify the recoverability of each charge you submit.**

Under provisions of the Credit Reform Act of 1990, each State has three non-transferable accounts to manage. The Direct Loan Financing Account, also referred to as the "R" Account, is used to pay PLCEs that are chargeable to a direct/insured borrower, property account, or subsidy funds in which the loan was obligated in FY 1992 or subsequent years. Mortgage credit bureau reports are charged against "R" funds. The Liquidating Account, also referred to as the "L" Account, is used to pay PLCEs that are chargeable to a direct/insured or guaranteed borrower or property account in which the loan was obligated prior to FY 1992. The oldest outstanding loan provides the basis for determining which recoverable ("L" or "R") Account to charge in the case of multiple loans. The non-recoverable Salaries and Expense ("A") Account is to be used to pay non-recoverable PLCEs that are not chargeable to a borrower, property account, or subsidy funds for all Housing and Community Facility programs.

Funding for PLCEs paid from cash proceeds from a sale and recoverable guaranteed loan expenses are not allocated. If you need to process a recoverable guaranteed program loan cost expense, please contact the Guaranteed Loan Branch of the Finance Office at (314) 539-6661 for instructions.

Program officials are the only staff authorized to certify PLCE funds availability. Administrative officials (Contract Program Managers, Contract Specialists, Budget Analysts, etc.) are not authorized to certify PLCE funds availability. The Program Loan Cost Coordinator is responsible for monitoring obligations/disbursements of PLCE allocations by account to avoid violation of the Anti-Deficiency Act. Specifically, your State Office Housing Program section is responsible for determining and documenting how these funds will best be used to meet your program goals and objectives. It is also



accountable for the proper use of these funds. State Offices are required to issue a State Administrative Notice identifying a methodology for controlling their funds, naming the program official designated to certify PLCE fund availability, and, if these funds are sub-allocated, distribute them by program and account. **A State should not request additional funding in any of its three PLCE accounts until it has obligated at least 90 percent of its current account funds.**

If field staff have any questions concerning this memorandum, they should contact their State Office. If State Office officials have questions concerning this memorandum, they should contact Carl Muhlbauer, Program Support Staff, at (202) 690-2141.

Attachments (2)

Sent via Facsimile on 10-11-02 at 3:00 p.m. by SSD. State Directors should notify other personnel as appropriate.

# PROGRAM LOAN COST EXPENSE FUNDS

## Housing Programs (RHIF) - FY 2003

State/Territory	Allocations		
	Salaries & Expense Account	Direct Loan Financing Account	Liquidating Account
Alabama	\$902	\$1,336,590	\$649,268
Alaska	\$124	\$109,438	\$52,905
Arizona	\$454	\$628,507	\$279,745
Arkansas	\$774	\$1,231,250	\$618,435
California	\$1,394	\$1,894,914	\$870,850
Colorado	\$256	\$315,389	\$160,531
Delaware	\$405	\$520,862	\$259,141
Florida	\$1,000	\$1,414,681	\$672,493
Georgia	\$1,113	\$1,468,568	\$697,917
Hawaii	\$178	\$204,505	\$91,954
Idaho	\$247	\$350,905	\$188,156
Illinois	\$667	\$715,583	\$441,724
Indiana	\$658	\$674,713	\$402,675
Iowa	\$449	\$548,061	\$393,774
Kansas	\$332	\$378,010	\$246,803
Kentucky	\$901	\$1,246,646	\$602,738
Louisiana	\$837	\$1,242,904	\$591,725
Maine	\$460	\$794,718	\$398,011
Massachusetts	\$521	\$620,823	\$283,651
Michigan	\$837	\$821,887	\$496,631
Minnesota	\$450	\$408,889	\$326,231
Mississippi	\$1,461	\$2,890,983	\$1,289,184
Missouri	\$691	\$835,531	\$543,410
Montana	\$189	\$248,901	\$138,214
Nebraska	\$224	\$252,917	\$166,524
Nevada	\$73	\$80,018	\$50,935
New Hampshire	\$199	\$240,253	\$118,046
New Jersey	\$314	\$446,811	\$203,617
New Mexico	\$339	\$460,838	\$209,672
New York	\$870	\$885,858	\$467,082
North Carolina	\$1,510	\$2,086,003	\$972,786
North Dakota	\$155	\$234,225	\$155,823
Ohio	\$868	\$755,148	\$396,409
Oklahoma	\$565	\$811,438	\$394,223
Oregon	\$432	\$532,048	\$261,742
Pennsylvania	\$1,091	\$1,036,864	\$490,101

<b>Puerto Rico</b>	<b>\$1,254</b>	<b>\$2,378,175</b>	<b>\$973,330</b>
<b>South Carolina</b>	<b>\$966</b>	<b>\$1,539,423</b>	<b>\$698,052</b>
<b>South Dakota</b>	<b>\$179</b>	<b>\$228,597</b>	<b>\$211,876</b>
<b>Tennessee</b>	<b>\$964</b>	<b>\$1,402,922</b>	<b>\$655,033</b>
<b>Texas</b>	<b>\$1,734</b>	<b>\$1,982,542</b>	<b>\$979,862</b>
<b>Utah</b>	<b>\$140</b>	<b>\$210,485</b>	<b>\$105,253</b>
<b>Vermont</b>	<b>\$181</b>	<b>\$271,617</b>	<b>\$142,390</b>
<b>Virgin Islands</b>	<b>\$76</b>	<b>\$122,814</b>	<b>\$53,358</b>
<b>Virginia</b>	<b>\$954</b>	<b>\$1,382,627</b>	<b>\$612,106</b>
<b>Washington</b>	<b>\$459</b>	<b>\$477,358</b>	<b>\$266,888</b>
<b>West Virginia</b>	<b>\$513</b>	<b>\$667,480</b>	<b>\$327,096</b>
<b>Wisconsin</b>	<b>\$523</b>	<b>\$448,809</b>	<b>\$312,412</b>
<b>Wyoming</b>	<b>\$115</b>	<b>\$161,472</b>	<b>\$79,216</b>
<b>Total</b>	<b>\$30,000</b>	<b>\$40,000,000</b>	<b>\$20,000,000</b>

**FISCAL YEAR PROGRAM LOAN COST EXPENSE  
RURAL HOUSING SERVICE - COMMUNITY PROGRAMS**

State: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_

Account: \_\_\_\_\_  
 Fax No.: \_\_\_\_\_

Program Authority Code (PAC):

\_\_\_\_\_ (Loan Program)  
 \_\_\_\_\_ (General Purpose)

\_\_\_\_\_ (Program Activity)  
 \_\_\_\_\_ (Detail Description)

Program Authority Required: \_\_\_\_\_ (Indicate Yes/No)

Recoverable \_\_\_\_\_ Non-recoverable \_\_\_\_\_

Description of Request:

\_\_\_\_\_  
 \_\_\_\_\_

**CONTRACTUAL**

Inspections \_\_\_\_\_  
 Appraisals \_\_\_\_\_  
 Analysis and Audits \_\_\_\_\_  
 Information Services \_\_\_\_\_  
 Other Services \_\_\_\_\_  
 Maintenance & Management \_\_\_\_\_  
 Repair/Improvement \_\_\_\_\_  
 Exclusive Broker \_\_\_\_\_  
 Open Listing Broker \_\_\_\_\_  
 Environmental \_\_\_\_\_  
 Other Field Contracting \_\_\_\_\_  
 Credit Bureau Reports \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

**NONCONTRACTUAL**

Advertising \_\_\_\_\_  
 Real Estate Taxes \_\_\_\_\_  
 Insurance \_\_\_\_\_  
 (including flood) \_\_\_\_\_  
 Other (Explain) \_\_\_\_\_  
 Utilities \* \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

\* Attach copies of vouchers and/or documents.

\_\_\_\_\_  
 State Program Director

Concurrence: \_\_\_\_\_ Date: \_\_\_\_\_  
 Associate Administrator/Deputy Administrator

**TO BE COMPLETED BY NATIONAL OFFICE:**

Account Balance after this obligation: \_\_\_\_\_

Initials: \_\_\_\_\_

Date: \_\_\_\_\_

October 17, 2002

TO: Selected State Directors \*  
Rural Development

FROM: David J. Villano *(Signed by David J. Villano)*  
Deputy Administrator  
Single Family Housing

SUBJECT: Ordering Infile Credit Reports Through Trans Union

In the past, RHS users had to order two separate infile credit reports for joint applicants. Now that Trans Union's (TU) infile production side has combined forces with their residential production side, TU has the capability of processing joint infile credit reports. Users are asked to order a joint infile credit report when applicable (primary and co-applicant are a married couple). The charge for a joint infile report is \$2.06 versus \$1.03 for a single.

Please note that if the residential mortgage credit report (RMCR) is ordered within 30 days of ordering the infile, TU will reimburse you the cost of the infile credit report. The reimbursement will only occur if the type and name(s)/social security number(s) match. For example, to receive a \$2.06 reimbursement for a joint infile credit report, the RMCR request must be jointly made for the primary and co-applicant listed on the infile.

Please share this memorandum with your field offices.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

EXPIRATION DATE:  
October 31, 2003

FILING INSTRUCTIONS:  
Housing Programs

\* AK, AL, AR, CO, DE-MD, HI, KY, LA, MS, PA, PR, SC, and TX

October 24, 2002

**SUBJECT:** Interest Rate Changes for Housing Programs  
and Credit Sales (Nonprogram)

**TO:** Rural Development State Directors,  
Rural Development Managers,  
and Community Development Managers

**ATTN.:** Rural Housing Program Director

The following interest rates, effective November 1, 2002 are changed as follows:

<b><u>Loan Type</u></b>	<b><u>Existing Rate</u></b>	<b><u>New Rate</u></b>
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**ALL LOAN TYPES**

Treasury Judgement Rate	1.800%	1.680
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The current rate shown above is as of the week ending 09/27/02. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield ([www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt](http://www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt)).

**RURAL HOUSING LOANS**

Rural Housing (RH) 502		
Low or Moderate	6.750	6.000
Single Family Housing		
(SFH) Nonprogram	7.250	6.500

**EXPIRATION DATE:**  
November 30, 2002

**FILING INSTRUCTIONS:**  
Administrative/Other Programs

Rural Housing Site		
(RH-524), Non-Self-Help	6.750	6.000
Rural Rental Housing and		
Rural Cooperative Housing	6.750	6.000

Please notify appropriate personnel of these rates.

*(Signed by Arthur A. Garcia)*

ARTHUR A. GARCIA  
Administrator  
Rural Housing Service

Sent by Electronic Mail on 10/29/02 at 9:20 a.m. PAD.



October 28, 2002

TO: All State Directors  
Rural Development

ATTENTION: Rural Housing Program Directors

FROM: David J. Villano *(Signed by Roger Glendenning)* for  
Deputy Administrator  
Single Family Housing

SUBJECT: 90-Day Implementation of the Area Loan Limits

The purpose of this memorandum is to outline the 90-day implementation of the area loan limits. This implementation plan is being issued in advance of the publication of the 7 CFR 3550 Final Rule so that States will have adequate time to meet the deadline(s) specified within the plan.

In the past, the Rural Housing Service (RHS) defined modest housing as a property that is considered modest for the area, that does not possess prohibited features, and that has a cost that does not exceed the applicable limit established under section 203(b) of the National Housing Act. For administrative reasons, the Agency did not adopt the escalating limits published by the Department of Housing and Urban Development (HUD) each year and established that the 203(b) limits in effect as of September 30, 1998, were the applicable limits for the Single Family Housing (SFH) Direct Programs.

Given the continuous increase in the cost of housing in many areas since 1998, the need for a change in the Agency's definition of modest housing was evident. With the future publication of the revisions to the 7 CFR Part 3550, one critical component of the definition will be changed from "cost that does not exceed the applicable limit established under section 203(b)" to "market value that does not exceed the applicable area loan limit as established by RHS..."

After considering various options, the Agency decided to give the States the flexibility in choosing one of the following methods to establish area loan limits throughout the State on an annual basis. Regardless of the option selected, the area loan limit can not exceed the HUD 203(b) limit in effect at the time.

EXPIRATION DATE:  
October 31, 2003

FILING INSTRUCTIONS:  
Housing Programs

## **OPTION 1 – RESIDENTIAL COST DATA PLUS TYPICAL MARKET VALUE FOR IMPROVED SITE**

Each year, the National Office will provide residential cost data for new construction based on a prescribed set of parameters that closely defines modest housing. The figures, which will be provided on a county basis, will be issued to the States before the start of each fiscal year (FY). The FY 2003 figures were distributed during the September 2002 Policy Meeting in Chicago and will be transmitted electronically to the Rural Housing Program Directors shortly after issuance of this memorandum in a spreadsheet that requires additional entries from the State.

States will be responsible for determining the typical market value for an improved site in their respective areas. We encourage States to collect current comparable sales data for modest sites and reasonable site improvements. Documentation supporting the means by which you derived the figures will be required as part of Deputy Administrator's prior approval review.

## **OPTION 2 - STATE HOUSING AUTHORITY'S LIMITS**

The second option available to the States when establishing their area loan limits is to adopt the State Housing Authority's (SHA) limits as long as the SHA limit is within 10 percent of the area loan limit. If the SHA has two separate limits for new constructions and existing homes, both limits must be adopted. If the SHA uses target and non-target limits, the non-target limit will be used for our purposes.

## **ESTABLISHING AREA LIMITS**

The area limits established using both options may be on a county, regional (two or more contiguous counties that are similar in economic characteristics), or Statewide basis. Where needed, due to fluctuations in housing prices within a county, a State may adopt more than one area limit for the county provided the areas are clearly defined.

If the geographical basis is regional or Statewide, the lowest area loan limit and the lowest 203(b) limit among the counties that constitute the geographical area must be used.

## **SYSTEM LIMITATIONS**

At the present time, the UniFi system is only capable of acknowledging one area loan limit for each county.

The use of multiple limits within a county will pose a serious system limitation. Until the system can be modified, the highest limit will be entered into UniFi and users must be vigilant when running the calculations to ensure that the appropriate limit is manually entered.

## **90-DAY IMPLEMENTATION PERIOD**

Within 30 days after the publication of the 7 CFR 3550 Final Rule, the States must submit the following items to the Deputy Administrator of SFH for **prior approval**:

- Form RD 2006-03, Instruction and Form Justification.
- State Instruction establishing which option was selected, either the residential cost data plus typical market value for an improved site for all geographical areas **or** the SHA limits for all geographical areas. The instruction must include the proposed area loan limit(s) for each county. Please note that States are not authorized to alternate between options throughout the year without prior approval from the Deputy Administrator, Single Family Housing.
- Complete the aforementioned spreadsheet showing the typical market value of improved sites, the figure obtained by adding the cost data to the improved site, entry/confirmation of the SHA limits, and the selected limit (not to exceed the HUD 203(b) limit in effect at that time) to [bbaumann@rhsdc.usda.gov](mailto:bbaumann@rhsdc.usda.gov) or [bbaumann@rdmail.rural.usda.gov](mailto:bbaumann@rdmail.rural.usda.gov).
- Written explanation as to how the typical market value of an improved site in each area was derived and supporting documentation.
- Verification of the SHA's non-targeted limits for both new and existing properties.

During the following 60 days after submission, the National Office will review the packages and request any necessary changes. Upon approval of your State Instruction, the new area loan limits will go into effect until FY 2004 and the UniFi parameters will be updated on a national level.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

October 29, 2002

SUBJECT: Bank of America Travel Charge Card Program

TO: State Directors Rural Development  
National Office Officials

ATTN: Administrative Program Directors

The Bank of America (BOA) travel charge card program continues to be closely scrutinized and is exceptionally vulnerable to criticism. Each of us has a responsibility to educate ourselves and our staffs on the obligations and restrictions associated with the BOA travel charge card. We must ensure that each BOA travel charge card is used in accordance with regulations and monitored on a regular basis. Also, the charges must be paid in a timely manner.

I urge each of you to read the attached information. You should also distribute a copy to every person who travels within your staff/division and to all administrative personnel who arrange travel for other staff/division members. Questions relating to the BOA travel charge card program should be referred to the respective BOA Agency Program Coordinator located in each State Office, in St. Louis, Missouri, and in the National Office. National Office staff should contact Theresa Hollowell at 202-692-0227 or Irene Wofford at 202-692-0030.

*(Signed by Sherie Hinton Henry)*

SHERIE HINTON HENRY  
Deputy Administrator for  
Operations and Management

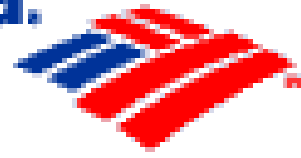
Attachment

EXPIRATION DATE:  
October 31, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

Sent via electronic mail by SSD on 10-30-02 at 11:05 a.m..

**Bank of America.**



**BANK OF AMERICA  
GOVERNMENT  
TRAVEL CHARGE  
CARD**

**DO'S AND DON'TS**

**RURAL  
DEVELOPMENT**

**October 2002**

## **RURAL DEVELOPMENT**

### **GOVERNMENT TRAVEL CHARGE CARD PROGRAM**

#### **INTRODUCTION:**

The Bank of America (BOA) and the U.S. Department of Agriculture (USDA) have established a contractual agreement whereby Government travel charge cards will be issued by BOA to eligible employees who submit approved applications through Rural Development contacts. The travel charge card is to be used only for official travel and official travel related expenses away from the employee's official station/duty station in accordance with USDA and Rural Development policy and procedures. Normally, official travel related expenses include transportation, lodging, meals, and incidental expenses while on travel for which the employee will be reimbursed in accordance with regulations. The card **SHALL NOT** be used for personal, family, or household purposes.

All permanent employees who travel at least twice a year must participate in the Government travel charge card program. Supervisors are expected to counsel employees on appropriate use of the card and must certify new applications for travel charge cards. The following are exceptions to the mandatory issuance of a travel charge card:

- (1) New employees performing temporary duty travel (TDY) en route to their first duty station.
- (2) An employee who had the card canceled by the issuing bank.
- (3) Intermittent or seasonal employees and those expected to travel less than twice a year.
- (4) Employees with issues concerning credit with the Government vendor; e.g., past or present credit problems.

#### **REGULATION REFERENCES:**

Federal Travel Regulation (FTR) 301-51  
Agriculture Travel Regulation (ATR) 301-9 and 301-10  
RD Instruction 2036.A, Travel Regulations and Policies, Section 2036.51

## **“DO’S AND DON’TS”**

The following are some common questions and answers which may help employees understand their responsibilities when issued a Government travel charge card:

### 1. How can I get a Government travel charge card?

**Answer:** First, you and your immediate supervisor need to discuss if your job may require you to travel at least two times a year on official business. If so, you should obtain an application for a Bank of America (BOA) individual travel charge card from your supervisor or from the Rural Development BOA Agency Program Coordinator (APC).

### 2. Who is my BOA APC?

**Answer:** If you are an employee of the:  
Contact: National Office  
Support Services Division  
Travel Unit

If you are an employee of a:  
Contact: State or Field Office  
Director of Administrative Programs

If you are an employee in:  
Contact: St. Louis, Missouri  
Property and Supply Management Division

### 3. Why do I need to complete an application? Can Rural Development force the BOA to give me a travel charge card?

**Answer:** Rural Development can not mandate that BOA issue a card without a proper application. You must complete the application section entitled “To be completed by Employee” in its entirety. Be sure to read the application form plus its attached “Agreement between Agency/Organization Employee and Bank of America, N.A. (USA),” sign the application, and then give it to your supervisor who must certify your need for a BOA travel charge card. Once that is completed, make a copy for your records and submit the original application to your APC for processing. The BOA normally performs a routine credit check to make sure a previously issued BOA card has not been cancelled due to non-payment of debt.

### 4. Can I use my office address for the “Mailing Address” on the application?

**Answer:** Rural Development and BOA both recommend the use of your home address to ensure timely delivery of your credit card and monthly statements.

5. How long from the time that I send the application to my APC before I get my new credit card?

**Answer:** Your BOA card will be sent via postal service and should arrive within 7 to 10 workdays. If you have not received your card after 10 workdays, follow up with your APC.

6. Today is Tuesday and I just found out I have to travel on official business and am expected to leave next Sunday. I need a BOA card NOW! What should I do?

**Answer:** Contact your APC as soon as possible.

7. What if I do not receive my BOA card in time? Where do I get the money to pay for my airline ticket, hotel, and meals?

**Answer:** Your airline ticket can be charged to your Agency's Government Travel System Account (GVTS). This is a BOA Centrally Billed Account used by Travel Management Centers to directly bill your Agency for commercial transportation and is used for employees who do not have BOA travel charge cards. Contact your APC for assistance in processing this request. You may obtain a travel advance at the time your AD-202, "Travel Authorization," is processed. Your administrative personnel who process travel authorizations in your office can assist you with a travel advance request. If the hotel will not hold your room without a credit card number, you may need to use your personal credit card to "hold" the reservation until you check in at the hotel.

8. My supervisor told me I should expect to travel more than twice a year. I do not want another charge card; I already have more than enough credit cards with my personal MasterCard and VISA. Is it mandatory that I get a BOA travel charge card?

**Answer:** Yes. The only exceptions to the mandatory issuance of a BOA travel charge card are: (1) New employees performing temporary duty travel en route to their first duty station, (2) Employees who had cards canceled, (3) Intermittent and/or seasonal employees and those expected to travel less than twice a year, and (4) Employees with issues concerning past or present credit problems with BOA.

9. Someone told me there is a charge limit on the Government BOA cards. Is that true? What happens if I exceed the limit?

**Answer:** Yes. As part of its internal control procedures, Rural Development established a charge limit of \$5,000 on its cards at the time the BOA travel program was initiated. There have been instances where this limit had to be increased on a case-by-case basis; i.e., foreign travel, areas of higher priced airline costs, etc. If you need a temporary limit increase, you must submit a written request through your supervisor to your APC. The APC will review the request and, if appropriate, increase the limit.



10. What if I do not know exactly what balance is outstanding and while I am traveling on official business, I exceed my limit and my card is declined?

**Answer:** You should immediately contact your supervisor, who can prepare the appropriate documentation for the APC, or you can call your APC yourself and explain the situation. The APC will temporarily increase your BOA credit limit to permit you to finish your official travel and file whatever paperwork is required for the records upon your return. It is then your responsibility to file your travel voucher(s) immediately and make appropriate payments to your BOA account.

11. Can I obtain advances from an Automated Teller Machine (ATM) with the BOA card? If so, what is the withdrawal limit?

**Answer:** Yes. ATM withdrawals can be used to obtain cash for payments of expenses associated with authorized official travel. The BOA will issue a Personal Identification Number (PIN) to access this feature. The ATM cash withdrawals are limited to a maximum of \$200 per day and a maximum of \$400 per week. Cash withdrawals must not exceed the expected expenditures for an official trip.

12. Are there any fees involved in ATM cash withdrawals? If so, how do I get reimbursed for these fees?

**Answer:** There may be both surcharge and service fees for card usage at ATMs that are not BOA affiliated. All of these types of fees are reimbursable and should be claimed as miscellaneous expenses on your travel voucher.

13. How soon before my official travel begins should I obtain my ATM cash?

**Answer:** Cash withdrawals should be made as close as possible to the actual day you begin your official travel or during your trip, if you prefer.

14. Can I obtain a BOA ATM cash withdrawal to pay for my official travel airline ticket?

**Answer:** No. ATM cash withdrawals must NEVER be used to purchase common carrier transportation (air, rail or bus) tickets.

15. What can I charge to my BOA travel charge card?

**Answer:** All official authorized travel expenses (transportation by air, train, rental car, etc.; parking at airport terminals; shuttles to and from airports/hotels; taxicabs; meals and other incidental expenses) which are allowable travel expenses while you are on travel away from your official duty station and for which you will be reimbursed in accordance with regulations.

16. We have a small group of people coming to my office who will be participating on a special task force. We would like to take them to a nice dinner one evening. Can I charge their meals to my BOA Government charge card or can I obtain an ATM cash withdrawal with my BOA card to pay for their meals?

**Answer:** No. The BOA Government charge cards must only be used for official travel expenses incurred while in travel status away from your official duty station for which the traveler can be expected to be reimbursed. If an expense is not reimbursable under the Federal, USDA, and Rural Development Travel Regulations, it must not be charged to a BOA travel charge card. If the BOA travel charge card or an ATM cash withdrawal were used, it would be considered misuse of the card.

17. I am being sent on a 2-week detail and have been authorized a rental car. I plan on doing some sightseeing Saturday and Sunday. Can I charge the entire 2-week rental to my BOA since I am on official temporary duty travel and Rural Development is picking up lodging and meals and incidental charges for those days?

**Answer:** No. You should make arrangements to pay with personal charge cards or cash for any extra charges, gasoline, or miles that are driven during the weekend; i.e., pro-rate the charges. You are responsible for checking with the rental car company to determine what policy it has in place to cover situations like the one you described.

18. I have been authorized to use my privately owned vehicle (POV) for travel. During one trip, I had a flat tire that needed to be repaired before I could return to my official duty station. Since my car needed an oil change, I also had that done and charged the entire bill to my BOA Government travel card. Was that the proper procedure?

**Answer:** No. When you are authorized to use your POV, the mileage reimbursement rate covers all costs associated with the use of your POV including gasoline, oil, tires, etc. You should have paid those costs with personal funds or charged them to your personal charge card. The use of your BOA travel card in the situation you stated is strictly prohibited and would be considered misuse of the card.

19. My luggage was lost during a recent flight I made on official business. The airline could not guarantee when my luggage would be found and returned to me so I bought some essential items (toothpaste, tooth brush, razor, etc.) and also necessary items of clothing. I charged all of those items to my BOA travel charge card. I know the Government will not reimburse me for all the items I purchased, but why shouldn't I have charged them to my BOA travel card?

**Answer:** Even though you were on official Government travel, those items are personal in nature and should not have been charged to your Government BOA travel card. Your BOA travel charge cards must only be used for official travel expenses which are allowable and reimbursable. Use of the BOA card in the example you gave is strictly prohibited and would be considered misuse of the card.

20. Can I use my BOA travel charge card to pay for training tuition and books or registration fees?

**Answer:** No. Your BOA travel charge card should never be used to pay for training tuition, books, or registration fees. Your Human Resources (HR) staff can advise you of what payment method is best suited to the situation; i.e., an SF-182 or a purchase card.

21. How will Rural Development know if I use my card for other than official travel expenditures?

**Answer:** Rural Development's APCs are tasked with monitoring card use at least monthly and must take action when possible misuse or abuse of BOA travel charge cards is discovered. Card usage reports are also subject to Departmental review, including the Office of the Inspector General.

22. What action does my APC take?

**Answer:** Your APC will write a memorandum to your manager/supervisor requesting that the manager/supervisor speak to you to find out the circumstances of the questionable charge(s), counsel you, and submit a written report to the APC of the actions taken. In most cases, your HR officials will also receive a copy of the memorandum sent to your manager/supervisor and a copy of the report they submit. Depending upon the severity of the situation, Rural Development may take appropriate action including restricting or revoking BOA travel charge card privileges, placing documentation in your Official Personnel File, administrative action up to removal from your position, and/or salary offset.

23. What if my card is stolen? Why should I be held accountable for a thief's actions?

**Answer:** You are expected to take reasonable and appropriate steps to safeguard your card and assure it is not lost or stolen. This includes assuring that your ATM PIN is not written down on or near your BOA cards. As soon as you discover the loss or theft of your BOA Government travel card or if you suspect another person may have used your card without your permission, it is your responsibility to immediately report it to the BOA. You should then also notify your APC. The BOA telephone numbers are: 1-800-472-1424 (within the United States) or 757- 441-4124 (collect calls from outside of the United States). You will be expected to cooperate with the BOA during all aspects of its investigation.

24. How do I know how much I owe the BOA?

**Answer:** If you have traveled and charged travel expenses to your official BOA travel charge card, you will receive a monthly statement from the BOA. The BOA expects payment in full immediately upon receipt of the bill. You can also call the BOA Customer Services number listed on the back of your BOA travel charge card.

25. What if I receive my BOA bill but I have not received reimbursement from Rural Development?

**Answer:** The BOA bill must be paid regardless of whether you have been reimbursed for your travel expenses. The entire bill must be paid even if the amount exceeds what you will be, or expect to be, reimbursed for travel expenses.

26. What do you mean by the amount exceeding what I “expect to be” reimbursed?

**Answer:** There may be circumstances when this could happen. For example, if you travel often and have made several airline ticket reservations, you may be billed for a trip prior to actually taking the trip, preparing a voucher, and receiving reimbursement. Another example could be when you charged several meals which may have exceeded the daily reimbursement allowance.

27. I have not received a bill from the BOA for several months although I have been traveling. I finally received my BOA bill yesterday and it listed me as delinquent. To make matters worse, when I tried to charge airline tickets for a trip starting next week, I was told my card is suspended. What do I do now?

**Answer:** Employees are responsible for contacting the BOA if a statement is not received. Since you had traveled and charged expenses to your BOA for several months, you should have been aware that a bill should be issued by the BOA and when one was not received, you should have taken the initiative and contacted the BOA. You must immediately submit payment in full to the BOA. The BOA does accept electronic payments; however, additional charges may be incurred for those services. Contact the BOA’s Customer Services for assistance. Meanwhile, contact your APC for assistance with payment arrangements for your airline reservations for official travel.

28. What actions do Rural Development and the BOA take on delinquencies?

**Answer:** The BOA and Rural Development APCs monitor delinquencies very closely. The BOA suspends the account at 60 days delinquent and your APC will issue a memorandum to your manager/supervisor, with a copy to your HR office, advising of your delinquency. Your manager/supervisor will be expected to discuss the delinquency with you, counsel you on your obligations to pay debts in a timely manner, and submit a written report of his/her actions to the APC and to HR. If the bill is not paid in a timely

manner, your manager/supervisor will receive additional delinquency notices until the account is paid in full or otherwise settled. When your account becomes 120 days delinquent, the BOA cancels the account. Canceled accounts may be referred to credit bureaus by the BOA and may even be referred to outside collection agencies.

Employees with delinquencies subject themselves to assessment of late fees, counseling by management, removal of travel charge card privileges, administrative actions up to removal, and even salary offset.

29. The BOA has cancelled my card. When can I receive another card?

**Answer:** Once BOA has cancelled a card due to non-payment, BOA has the right **not** to issue you another card.

30. Who do I contact if I have a question about my BOA bill?

**Answer:** You are responsible for contacting the BOA's Customer Services. Customer Services telephone numbers appear on your BOA bill and are also provided on the back of your BOA travel charge card.

31. BOA has charged me twice for the same airline ticket. Who do I contact to help me straighten this out?

**Answer:** This situation may be considered a "disputed transaction." You immediately should contact the BOA's Customer Services who will take the appropriate steps to provide information and resolve the dispute.

32. What happens with a "disputed transaction?"

**Answer:** A disputed transaction (charge) will be suspended by BOA and will not be due until it has been resolved. The sooner you contact the BOA Customer Services, the sooner BOA representatives can begin the resolution process. You may need to complete dispute forms that have specific deadlines as required by BOA.

33. I am leaving Rural Development. What do I do with my BOA travel charge card? Can I cut it up and throw it away?

**Answer:** NO. Immediately contact your APC. In most cases, your BOA travel charge card must be returned to your APC. **Do not destroy the card yourself or send it to BOA.**

SUBJECT: Scheduling of Use-or-Lose Annual Leave

TO: Rural Development National Office Officials  
Rural Development State Directors

ATTN: Administrative Programs Directors  
Human Resources Managers

DATE: October 31, 2002

The purpose of this memorandum is to remind everyone of the necessity to plan and schedule end-of-year annual leave, which must be used or forfeited (i.e., use or lose). For scheduling and planning purposes, employees are reminded that the Calendar Year 2002 leave year ends the last day of pay period 26, or January 11, 2003. Your projected end of the year annual leave balance can be found on your biweekly Statement of Earnings and Leave or on the Employee Personal Page at [www.nfc.usda.gov](http://www.nfc.usda.gov).

At this time, the Under Secretary's office does not anticipate the need for a mission area-wide declaration of an exigency for the 2002 leave/calendar year. Proper leave planning by managers, employees, and supervisors will eliminate the need for leave cancellation and restoration.

As you know, for GS employees, all annual leave in excess of 240 hours at the end of the leave year is subject to forfeiture. Senior Executive Service members are subject to a 720-hour maximum limitation (or a personal ceiling) on the amount of annual leave that may be carried over to the next year. Employees who have excess annual leave are reminded that they may donate leave to the voluntary leave sharing program.

Further, you are reminded that forfeited annual leave is not automatically or routinely restored. With proper leave planning by both supervisors and employees, a petition for leave restoration will be necessary only in rare situations. With over two months remaining in the leave year, there is still adequate time for employees to schedule and take use-or-lose leave.

However, if you have sufficient documentation and there is no alternative to canceling an employee's leave, the following requirements **must be** fully met:

**Advance Scheduling and Approval** – In order for annual leave to be restored to an employee in the event of forfeiture because of an Exigency of the Public Business, the annual leave **must be scheduled by the employee in writing and approved by**

EXPIRATION DATE:  
March 31, 2003

FILING INSTRUCTIONS:  
Administrative/Other Programs

**his/her supervisor before December 1, 2002.** This can be done through approval of a properly executed OPM-71, Request for Leave or Approved Absence, (Revised June 2001) or by submission and approval of a memorandum requesting annual leave. Either document should schedule the dates for all annual leave over the maximum carryover balance to avoid forfeiture.

**Exigency of the Public Business** - An Exigency of the Public Business means an exigency of such importance as to: (1) threaten national security, safety or welfare; (2) last more than 3 calendar years; (3) affect a segment of an agency or occupational class; and (4) preclude subsequent use of both restored and accrued annual leave within the specified time limit. Annual leave must be scheduled and used not later than the end of the leave year ending 2 years after:

- a. The dates of restoration of the annual leave forfeited because of administrative error; or
- b. The date fixed by the Agency Head, or his or her designee as the termination of the Exigency of Public Business that resulted in forfeiture of the annual leave, or
- c. The date the employee is determined to be recovered and able to return to duty if the leave was forfeited because of sickness.

The determination that an exigency of major importance exists and that annual leave may not be used by employees to avoid forfeiture must be made by the Agency Head or someone designated to act for him/her on this matter. Except where made by the head of the agency, the determination may not be made by any official whose leave would be affected by the decision. This determination must be approved in writing prior to cancellation of the employee's scheduled leave. Sufficient information should be provided for determining that an Exigency for the Public Business exists, and there is no reasonable alternative (e.g. availability of other employees, rescheduling,) to denying or revoking the request.

The State Directors, Administrators, Deputy Administrators, and Assistant Administrators (in Rural Utilities Service) are authorized to declare public exigencies for all offices under their jurisdiction. This does not, however, include yourself or your immediate staff, i.e., Program Directors, your secretary. The Administrators or the Deputy Under Secretary must make all decisions concerning public exigency declarations for State Directors/Deputy Administrators/Assistant Administrators/Staff Directors and their immediate staffs.

**Cancellation of Scheduled Annual Leave** - In order for forfeited annual leave to be restored, the scheduled leave must be canceled, or disapproved, in writing.

Supervisors/managers must approve annual leave requests by **December 1, 2002**, for employees who exceed their maximum carryover balance. Prior to cancellation of annual leave, proper approval must be obtained that a public exigency exists.

**Restoration of Forfeited Annual Leave** - The processing of all annual leave restoration cases will conform to the requirements of the 5 Code of Federal Regulations 630. In order to assist you, a guide for processing restoration of forfeited annual leave is attached. Please note that this is only a guide and that it does not preclude the requirement for submission of written documentation as indicated above, i.e., OPM-71, cancellation of annual leave in writing, etc. An employee's request for restoration of forfeited annual leave must be routed through appropriate supervisory and other approval channels.

All requests (including justification for Exigency of the Public Business, copies of the employee's OPM-71 requests, Exigency Guide Form, and cancellation of scheduled leave memorandum) for restoration of forfeited annual leave for Administrators, State Directors, and their immediate staff, should be forwarded to Linda Dennison, Human Resources, Rural Development, Room 1323 South Building, (STOP 0730), 1400 Independence Avenue, SW, Washington, D.C. 20250.

Please remember that annual leave must be forfeited before it can be restored. This means that an employee may not request restoration of any forfeited annual leave until after the end of the leave year on January 11, 2003. Additionally, you are advised that a request for restoration of forfeited annual leave due to a public exigency will not be accepted or processed after March 30, 2003.

Forfeited annual leave lost due to sickness **when the annual leave was scheduled in advance** or administrative error may also be restored. The Director, Mission Area Personnel Services Division, Human Resources, is authorized to approve restorations due to illness or administrative error.

If you need specific information concerning the appropriate procedures for restoration of annual leave, please contact your servicing human resources specialist.

*(Signed by Diana Shermeyer) for*

TIMOTHY J. RYAN  
Assistant Administrator  
for Human Resources

Attachment



**GUIDE: RESTORATION OF ANNUAL LEAVE FORFEITED DUE TO EXIGENCY OF  
THE PUBLIC BUSINESS**

Employee Name: \_\_\_\_\_ Leave Year: \_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
Organizational Unit: \_\_\_\_\_

**PART A Determination of Exigency of the Public Business**

Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

**NOTE: Attach a copy of written declaration of exigency.**

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
(Name & Title of Approval Official)

**PART B Cancellation/Disapproval of Scheduled Annual Leave**

Total Hours Cancelled/Disapproved: \_\_\_\_\_

Dates: From \_\_\_\_\_ To: \_\_\_\_\_

**NOTE: Attach a copy of written cancellation/disapproval**

**PART C Verification of Number of Hours Forfeited**

Numbers of hours of annual leave forfeited by the employee at the end of the leave year: \_\_\_\_\_

If employee was able to use a portion of the cancelled/disapproved leave, please indicate the number of hours used: \_\_\_\_\_

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Supervisor

**OTHER VERIFICATION (IF APPROPRIATE):**

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Name & Title

**PART D Employee Request for Restoration of Forfeited Annual Leave**

**NOTE: Attach a copy of written request from employee; or employee may use this guide to request restoration of forfeited annual leave. The employee must complete the following statement:**  
Based on the circumstances above, I am requesting restoration of \_\_\_\_\_ hours of forfeited annual leave.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

